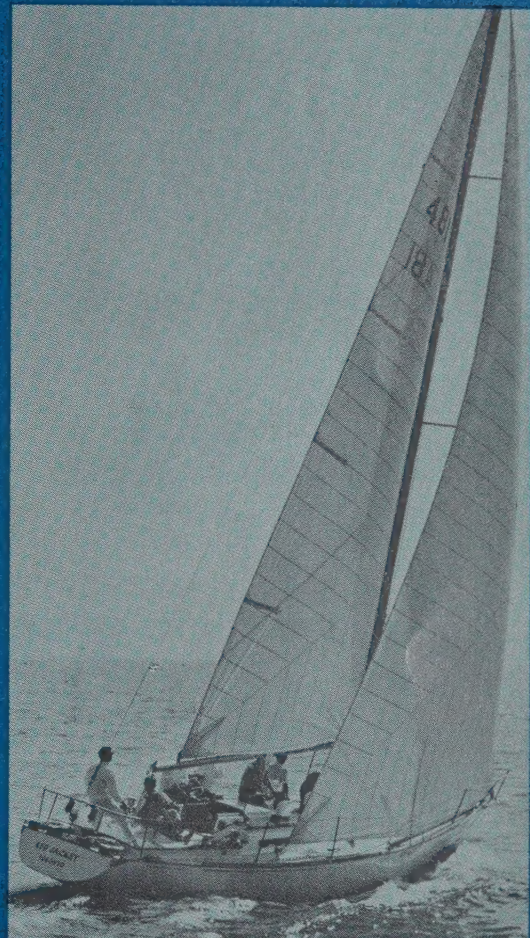
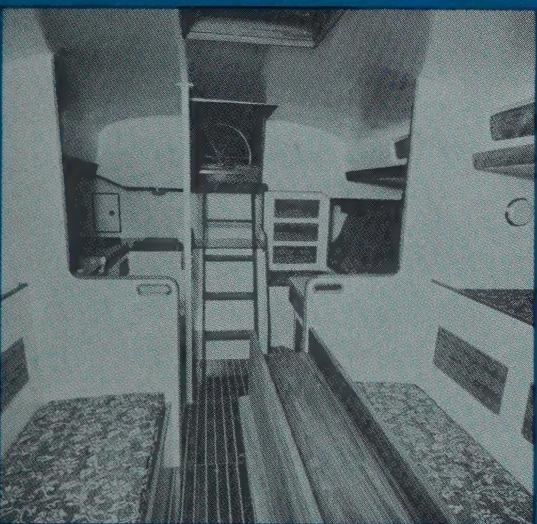
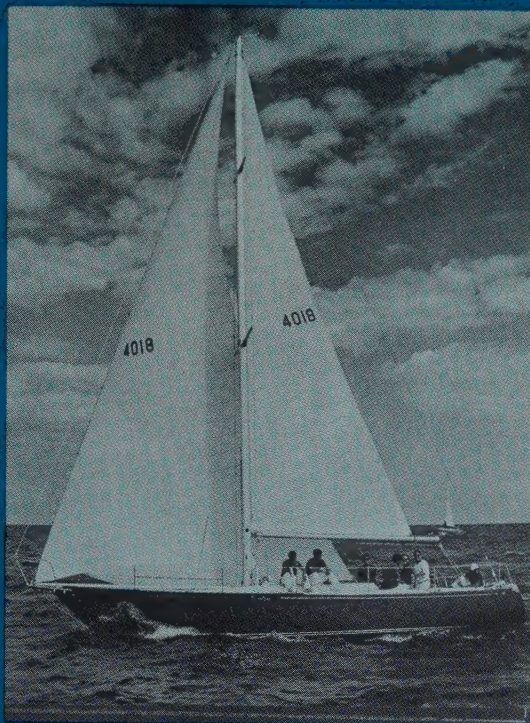
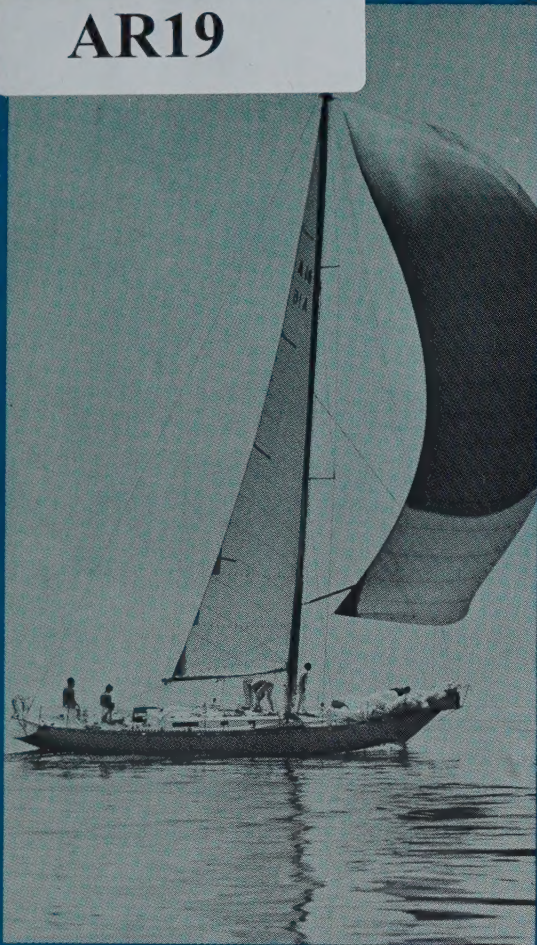


AR19



C&C YACHTS LIMITED

- 1 "Inferno II" — 53' racing yacht
- 2 "Manitou" of Canada's Cup fame
- 3 "Frigate" 36' by Belleville Marine
- 4 "Redline 41'", interior
- 5 "Redwing 30" by Hinterhoeller
- 6 "Red Jacket" — '68 winner of S.O.R.C.

C & C YACHTS LIMITED: *A Background Sketch*

C & C Yachts Limited is a company recently formed among four of Canada's most creative and successful yacht builders, all of which were formerly privately-owned companies located along the shores of Lake Ontario.

Incorporated as an Ontario company in September, 1969, the new company becomes the largest auxiliary sailboat builder in Canada and now rates among the top yacht builders in North America.

C & C Yachts comprises Cuthbertson & Cassian Limited, of Port Credit, Canada's foremost yacht designers; Bruckmann Manufacturing Limited, of Oakville, a noted custom builder; Belleville Marine Yards Limited, of Belleville, and Hinterhoeller Limited, of Niagara-on-the-Lake, two of the country's largest manufacturers of auxiliary fibreglass sailboats.

Growth Through Integration

The four have joined forces and combined their special talents in order to strengthen their manufacturing facilities and broaden the potential of their market area . . . turning their sights on the burgeoning U.S. market, where spending in the sailboat sector of the pleasure craft industry in 1968 has been estimated at \$86,200,000.

Through marketing teamwork they intend to benefit substantially by creating a stronger dealer network, expanding their advertising and promotion programs, standardizing parts and taking advantage of their enlarged purchasing power.

Funds raised through a public stock offering will help to implement the integration that will expedite growth and eventual diversification.

International Recognition

The four young and aggressive companies have already won a wide international reputation for their quality of craftsmanship and design — a reputation which is usually associated with much larger and longer established companies. A number of their designs have created whole fleets of new classes of sailboats throughout Canada, the United States and Europe, and their yachts are being sailed in many international competitions.

"Manitou", the racing yacht that won the Canada's Cup in September, 1969 — with three straight wins in the best-of-five series — is a striking example of the group's close co-operation in recent years. The 39-foot, 20,000-lb. sloop was designed by Cuthbertson & Cassian, custom built by Bruckmann and the spars produced by Belleville Marine.

Cuthbertson & Cassian and Bruckmann were actually commissioned by three different syndicates to design and build all three of the Canadian yachts that contended for the right to defend the famed Canada's Cup. The other two were "True North" and "Bagatelle".

Since their first production design in 1965, Cuthbertson & Cassian have produced a total of 18 such designs, with seven being produced by the new company and 11 built by sailboat manufacturers elsewhere in North America and Europe.

Products, Sales & Manufacturing Facilities

C & C Yachts produces 10 auxiliary fibreglass sailboats at the present time. These range from 24' to 41' in length and retail from \$5,000 to \$45,000. Emphasis is put on attractive design as well as racing performance, but with a built-in cruising comfort.

Though the three manufacturing subsidiaries have been building fibreglass sailboats for ten years, large scale production did not commence until four years ago, or 1966.

In that short period, the combined sales of the four companies have almost quadrupled, or jumped from \$1 million in 1966 to over \$3.5 million for the calendar year 1969.

With merged resources, management anticipates sales of over \$5 million in 1970.

By early 1970, the company's manufacturing space will have grown by more than fourfold since 1967, and will total 85,000 sq. ft. The present 47,400 sq. ft. of space is being expanded at all three manufacturing locations. Only 15,000 sq. ft. is leased: the balance is owned.

Together, the four subsidiary companies have a total of 145 full-time employees.

THE FOUR COMPANIES

Cuthbertson & Cassian Limited

This firm has established an international reputation as Canada's top yacht designer and, indeed, one of the best in North America. The company consists of two divisions: marine design and yacht brokerage.

The principals are George Cuthbertson, who holds a B.A.Sc. in mechanical engineering from the University of Toronto and George Cassian, a former aircraft and automotive designer. The two first became associated in marine design in 1959, prior to incorporating their partnership in 1961.

Cuthbertson's first major design project was "Inishfree", a 53' yawl commissioned by Norman Walsh of the Royal Canadian Yacht Club, for whom Cuthbertson had crewed in the last Canada's Cup race in 1954 when Walsh's ship "Venture II" won the cup and ended the Rochester Yacht Club's half-century hold on the trophy. Launched in 1958, "Inishfree" has won racing fame on the Great Lakes and is the only yacht to ever win three Freeman Cup races in a row.

Other yachts of record designed by the firm, and built by Bruckmann, include "Red Jacket", a 40' sloop which won the Southern Ocean Racing Circuit in 1968, and "Inferno", a 53' sloop designed for a prominent Chicago yachtsman, and known for its consistently successful performance in international racing.

Apart from custom designing for individuals, Cuthbertson & Cassian have established a rapidly growing reputation for the designs they have created for sailboat manufacturers in Canada, the United States, England and Argentina.

On behalf of other member firms of C & C Yachts, Cuthbertson & Cassian designed the "Corvette", "Frigate" and "Crusader" for Belleville Marine; "Redwing" series for Hinterhoeller and "Redline" series for Bruckmann Manufacturing.

Other pleasure sailboats designed for the industry here and abroad include: "Newport" 27' and 41', for Enterprise Yachts of Santa Ana, California, a division of Elgin National Industries; "Paceship" 17', "Bluejacket" 23' and "Northwind" 29' for Paceship of Mahone Bay, Nova Scotia; "Viking" 28' for Ontario Yachts Limited, Oakville; "Trapper" 28' for Anstey Yachts of Poole, England, and a 22' day sailor for AVAN S.A., Buenos Aires, Argentina.

Bruckmann Manufacturing Ltd.

Founded five years ago by Erich Bruckmann, this Oakville-based firm is a high quality custom builder, with its largest production built for the U.S. market. It has a permanent staff of 20.

Mr. Bruckmann served his apprenticeship in boat building in Europe, and after his arrival in Canada worked for nine years as a foreman shipwright. His first success on his own was as builder of the famed "Red Jacket".

In addition to his commissioned work, and building many of Cuthbertson & Cassian's custom designed yachts, Mr. Bruckmann manufactures "Redline" 25' and 41', designed for racing performance and family cruising.

(Sail Plan of "Redwing 35")



"Shark" 24' of international renown

"Crusader" 40' for racing and cruising comfort



Belleville Marine

This firm was incorporated originally as a small marina in 1942. The company was established as a boat-builder four years ago by Ian F. Morch, president, who holds both a BASc. in mechanical engineering from the University of Toronto and an MBA from Stanford University.

Today, this successful firm employs a work force of 50, builds three classes of fibreglass boats, all C & C designed and exports 90% of its production to the United States.

The Belleville-built auxiliary sloops are "Corvette" 31', "Frigate" 36' and "Crusader" 40'.

Hinterhoeller Ltd.

This firm gained renown for the design of the popular "Shark" 24' class, of which more than 800 have been sold to date. This racing sloop is quickly becoming one of the largest keelboat classes of its size range in North America. Designed by Hinterhoeller in 1959, the Shark is being produced as far away as Austria, Los Angeles and Vancouver.

The principals are George Hinterhoeller and Gordon Brinsmead, who formed a partnership in 1960, and incorporated the present company in 1963.

Mr. Hinterhoeller was born in Austria where he learned the boatbuilding trade. He arrived in Canada in 1952, and in 1958 founded the firm "George Hinterhoeller, Boat Builders".

Today, the plant covers 34,000 square feet, employs some 60 craftsmen and is one of Canada's largest yacht builders. Production has grown from six boats a year to about six per week in the course of the last decade. Some 60% of total output is sold in the U.S. and abroad, and this percentage is growing annually.

In addition to the "Shark", sailing boats produced by Hinterhoeller include the "HR" 25' and 28', designed by the firm, and "Redwing" 30' and 35' designed by Cuthbertson & Cassian, all auxiliary sailing sloops.

Management

The integration of the four firms brings the principals of the former companies together as directors of C & C Yachts. The president and chief executive officer, Ian

Morch, is responsible for marketing and finance. Working with Mr. Morch are three vice-presidents: George Cuthbertson, chairman of the board, who is in charge of design; Erich Bruckmann in charge of custom manufacturing and mould development and George Hinterhoeller in charge of production.

Market Outlook

With the recent Merger, C & C Yachts is in a position to achieve the economies of scale. Production programs can be co-ordinated, simplified tooling can be realized and interchanges of manufacturing processes and ideas will prove a boon to all concerned.

The most significant capability, other than production and financial, will be marketing and the impact of a well planned advertising and promotional program.

During 1970, the new company will increase production in all yacht categories, with particular emphasis on auxiliary sailboats of 30' and upward. It also plans to increase custom manufacturing by as much as 45% in 1970, and to investigate the possible manufacture of other specialty boats.

In stepped-up national advertising and dealer support programs, emphasis will be placed on performance and cruising ability, as well as aesthetics.

C & C Yachts has an ever-growing export market. Though each of the subsidiaries export sales have varied in percentages — from about 60% of recent total production upward to 90% — each of the group is making deeper penetration every year into the lucrative U.S. pleasure boat market, where sailing has become an increasingly popular and important segment of the boating industry. Growth in recent years has been largely due to the introduction of fibreglass which has made the ownership of sailboats relatively maintenance free, and also to the increase in leisure time.

At the present time, C & C sells through dealers in the United States, the majority of which are located around the Great Lakes and the Northeastern States, extending as far south as Washington, D.C. Embarking on building a larger dealer network, C & C plans to expand further southward into the Florida and Gulf of Mexico areas, both as a means of increasing its present sales volume and of lessening the influence of seasonal sales fluctuations.

Altogether, these factors would seem to place this young and aggressive company in a dynamic growth position. The merged talent and the new muscle of C & C Yachts should be able to take quick advantage of North America's rapidly expanding leisure market.



10 Front Street South,
Box 99, Port Credit, Ontario, Canada
Telephone: 274-2335



PUBLIC RELATIONS COUNSEL

To: Financial Editors/Analysts

Re: C & C YACHTS LIMITED

Shares of C & C Yachts Limited have been qualified for trading in Ontario and Manitoba following the filing of a prospectus with the regulatory authorities of the two provinces. Shares are now available for trading on the unlisted market in Toronto.

The new company, which becomes the largest manufacturer of fibreglass auxilliary yachts in Canada, represents the combined assets and special talents of four Canadian yacht builders and designers. The four firms are Cuthbertson & Cassian Limited, of Port Credit, yacht designers; Bruckmann Manufacturing Limited, of Oakville, a custom builder; Belleville Marine Yards Limited, of Belleville, and Hinterhoeller Limited of Niagara-on-the-lake, two of the country's largest manufacturers of auxilliary sailboats.

The four have joined forces in order to strengthen their manufacturing facilities and broaden the potential of their market area, particularly into the U.S.

Enclosed for your interest is a descriptive brochure of C & C Yachts Limited and a copy of the company's prospectus.

December 8, 1969

